

COMMISSIONERS APPROVAL

GRANDSTAFF *cg*

ROKOSCH

THOMPSON *at*

CHILCOTT *cg*

DRISCOLL *vs*

PLETTENBERG (Clerk & Recorder)

Members Present..... Commissioner Carlotta
Grandstaff, Commissioner Alan Thompson, Commissioner Greg Chilcott and
Commissioner Kathleen Driscoll

Date..... June 23, 2008

Minutes: Beth Perkins

► The Board met for approval of Resolution No. 2274 Emergency Declaration due to flooding. Present were OES Ron Nicholas, Erik Hoover; Civil Counsel Karen Mahar and Floodplain Administrator Laura Hendrix. **Commissioner Chilcott made a motion to approve Resolution No. 2274 Emergency Declaration for temporary work. Commissioner Driscoll seconded the motion. All voted 'aye'.**

► The Board met to open proposals for financing of Kurtz Lane property. Present were Administrative Assistant Glenda Wiles, Park Board members Gary Leese, and Pat Zeiler.

Glenda stated she ran the proper legal notices and sent a RFQ to all of the banking industries in the valley. There were four proposals received.

First Security Bank: \$315,000 at 4.5% and a ceiling of 8.5% for loan terms at 10, 15, or 20 years.

Farmers State Bank: \$315,000. Loan term at 10, 15, or 20 years at 4.69%

First Interstate: \$315,000 at 5.35% for loan terms at 10, 15, or 20 years.

US Bank: \$315,000 with 3 year balloon 6.91%

Commissioner Chilcott made a motion to give the proposals to Internal Auditor Klarryse Murphy for review and recommendations. Commissioner Driscoll seconded the motion. All voted 'aye'.

► The Board met for discussion and decision of phone lines for Courthouse/security with I.T. Director Joe Frohlich. Joe gave an overview for the phone alarm in the Courthouse.

He stated Public Health has two lines for emergency use not being utilized and he would like to use them for fire alarm system notification to 9-1-1. After Board discussion, it was recommended to hold off on a decision until Joe contacts the Fire Marshall for other options.

► The Board met for the following Administrative Matters:

- Minute approval of February; May 6th; May 27th; and June 10th. **Commissioner Chilcott made a motion to approve February, May 6th, May 27th and June 10th 2008 minutes. Commissioner Thompson seconded the motion. All voted 'aye'.**
- Approval of MCH Block Grant funding application for Public Health. **Commissioner Chilcott made a motion to approve MCH Black Grant funding application for Public Health. Commissioner Driscoll seconded the motion. All voted 'aye'.**
- Approval of the letter for use of Radio Frequency. Commissioner Chilcott added the amendments from Civil Counsel. **Commissioner Chilcott made a motion to approve the letter for use of Radio Frequency with Beaverhead County as amended. Commissioner Driscoll seconded the motion. All voted 'aye'.**
- Airport Lease approval for Site #466. **Commissioner Chilcott made a motion to approve the lease renewal for Site #466. Commissioner Thompson seconded the motion. All voted 'aye'.**

► The Board met for discussion and decision on appointment to Painted Rocks Fire District. **Commissioner Thompson made a motion to appoint Chari Bockelmann to the Painted Rocks Fire District Board of Trustees with the term expiring in May 2009. Commissioner Chilcott seconded the motion. All voted 'aye'.**

► The Board met for a public hearing for establishment of fees for I.T. Department remote access authorization and Treasurers' Office by Resolution No. 2275. Present was I.T. Director Joe Frohlich.

Commissioner Grandstaff opened public comment.

Joe gave a brief overview for the justification of the fees. Commissioner Chilcott expressed his concerns with the fee increase requested based on the fairness with nexus and proportionality. Joe discussed the past requests for raw data and the need to establish fees and a policy. Commissioner Chilcott suggested investigating other county policies for the collection of raw data. Joe agreed he would investigate it further and bring it back to the Board.

Commissioner Chilcott made a motion to adopt Resolution No. 2275 for the establishment of fee increases for I.T. Department for the two week access. Commissioner Thompson seconded the motion and all voted 'aye'.

► The Board met for an update from I.T. for State Advisory Board. Joe stated he has been appointed to the State Advisory Board for Information Technologies Management Council. He requested the Board's support and approval for the executive board. He stated his role would be to listen to what the State is doing and give any input. After Board discussion, it was requested that Joe investigate the teleconference options due to the amount of time and traveling expenses. **Commissioner Chilcott made a motion to authorized Joe to participate in the State Advisory Board for Information Technologies Management Council. Commissioner Driscoll seconded the motion. All voted 'aye'.**

► Minutes: Glenda Wiles

► The Board met for discussion and decision for 2008-09 MACo Insurance review agent job description; Workers Compensation review and claims review with Insurance Agent of Record Fred Thomas. Fred shared the fact that the Safety Culture Plan for the Workers' Compensation Trust is a success. The frequency or number of claims for the 'Agent Counties' the first 10 months of 07-08 compared to the first 10 months of the previous 2 years, declined by about 40%. Ravalli County is part of that decline. The losses, being driven down, will save the county money on the premiums, plus the cost savings for each department when their losses are down, i.e., training of new or temporary employees due to the regular employee being out for injury.

Fred discussed the 'experience mod' which is a three year average. MACo is 1.25% capped (For every \$100.00/the cost is \$1.00; with a cap of \$1.25). MACo did not give Ravalli County a break this year; Fred anticipates the break will come in one more year as the experience mod is based on Ravalli County's workers comp claims. Discussion included the possibility of the trust taking the cap to 1.5%, which would not affect Ravalli County at this time due to the number of claims within the last three years.

Commissioner Driscoll stated she recognizes Fred as the Agent of Record for the county since 1982; however she felt it is important she state for the record that the county should be able to allow other businesses in the county the ability to seek other agents of record through the Request for Proposal process. Commissioner Grandstaff noted a 30-day termination notice in the agent appointment and service agreement; therefore the county would be too late to change this agent at this time. She noted they could change during the policy year if the Commissioners so chose.

Fred stated he has done a good job in servicing this policy, the workers comp claims is a result of that good work. Commissioner Driscoll stated she is not saying Fred is not doing a good job, just that the other private companies need the ability to vie for this service agreement.

Fred stated there are two policies. The first is the MACo Workers' Compensation Trust Agent Appointment and second is the MACO/JPIA Property and Casualty Insurance for Public Entities. Commissioner Chilcott stated MACo pays for one half of the Agent of Record service fees. He stated Fred has looked at the State Fund Policy which provided

the training that Ravalli County has taken part of. He stated this service Fred provided is a plus and since Fred is doing a good job, Fred needs the ability to continue. He stated it would be like having an employee who is doing a good job and relieving them of their duties and letting someone else step in and try their abilities.

Commissioner Driscoll stated she simply wants to address the fairness of other companies having the ability to bid this service agreement with Ravalli County. Fred stated the Work Comp is to provide the safety training and loss prevention for the Ravalli County Employees. He also noted Western States also has a safety engineer. The service agreement for the Agent Appointment is a 'set fee' to provide the service; it is not a 'bid' from a private company.

Commissioner Thompson stated he was skeptical of the safety training at first, but finds now that it works and the claims are down. He felt Fred and his staff has done a tremendous job. Fred stated he is paid a set fee and he does not share in the profits for the workers' compensation decline. He stated many years ago the property and casualty insurance was bid for several years, then the counties, including Ravalli County decided to utilize MACo for the property and casualty insurance. Commissioner Driscoll stated she simply feels the Service agreement for the property and casualty insurance should be bid, not necessarily the MACo insurance.

Commissioner Chilcott stated Fred provided the service for the Workers' Compensation until one year ago at no charge. The program is working well, and to remove Fred from that agent of record position at this time would be a 'slap' in the face, particularly since Fred provided almost two decades of free service for the Workers' Compensation.

Commissioner Thompson stated the county went with St. Paul Insurance a few years ago and that was disastrous. Commissioner Driscoll stated she is not talking about changing insurance, just allowing the agent of record to be bid out.

Fred stated he worked hard on changing the way the claim information was given to the counties, which has helped change the way they county has been doing business, now to the better. He stated MACo took Fred's safety plan and used it for all the counties. He asked why the county would want to change out his expertise. He stated he has the knowledge of the county which helps these programs be beneficial and be of value to the county.

Commissioner Chilcott asked 'why take the model of success and throw it out when we are winning trophies with it'?

Commissioner Chilcott made a motion to appoint Western States Fred Thomas to be the Agent of Record for Workers Comp, and Property and Casualty Insurance. Commissioner Grandstaff stated there is proof in report and plaque, but the value from Western States is there and there is no reason to upset that. Commissioner Grandstaff stated she is happy with what Fred provides. Commissioner Driscoll stated this has been in place for a long time and she simply feels it should be brought up for discussion.

Commissioner Thompson seconded the motion. Commissioner Grandstaff, Commissioner Thompson, and Commissioner Chilcott voted “aye”. Commissioner Driscoll voted “nay”.

Fred then reviewed the loss ratio analysis and class code for Ravalli County; the gross number of claims, cost of claims, type of claims per classification and lost time for claims. Fred also addressed the Jail Standards that are necessary by Montana Code. Not following the jail standards puts the County in jeopardy. It is important for Ravalli County to again adopt those jail standards as they change according to the legislative session as MACo will represent the county but not indemnify the county. Fred also noted an upcoming road audit in order to review the condition of the roads. He noted state law limits liability for a governmental entity to \$750,000 to an individual and a million and a half to multiple claimants. They have put a maximum on the occurrence which is three million. Federal limits for aggregate are five million. Fred presented the rate increase which is about 5% which also increases the deductible from \$1,000 to \$2,000. The errors and omissions clause addresses the land use deductible which is \$10,000. The premium for 07-08 was \$198,266 and the proposal for 08-09 is \$207,440.

Fred also noted he included a job description for the agent of record for the property and liability insurance. The Human Resource Director will review this description and report back to the Commissioners.

Fred reviewed the number and cost of claims and he noted the high cost of claims is due to Commissioner decisions. The Commissioners thanked Fred for his continued service to the county.